

Message Text

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ORIGIN NEA-11

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FM SECSTATE WASHDC
TO AMEMBASSY LONDON
INFO AMEMBASSY JIDDA
AMEMBASSY SANA

C O N F I D E N T I A L STATE 121965

LONDON FOR KINSOLVING

E.O. 11652: GDS

TAGS: PGOV, YS, US

SUBJECT: PDRY EVICTION OF USG FROM AND REPOSSESSION OF
AMERICAN EMBASSY SITE

REF: BRITISH FOREIGN OFFICE CABLE (MAY 2, 1978)

1. FOLLOWING HAS BEEN TRANSMITTED TO BRITISH EMBASSY ADEN
VIA BRITISH EMBASSY WASHINGTON.

2. DEPARTMENT OF STATE DEEPLY APPRECIATES CARE AND DETAIL
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WITH WHICH BRITISH EMBASSY IN ADEN IS HANDLING REPOSSESSION
PROBLEM AND REGRETS THAT WE HAVE NOT BEEN ABLE TO RESPOND
SOONER TO YOUR LAST CABLE ON THIS MATTER.

3. REGARDING VALUATION OF BUILDING, THE LAND ON WHICH THE
BUILDING IS SITUATED BELONGS TO PDRY GOVERNMENT. HOWEVER,
THE BUILDING ITSELF WAS CONSTRUCTED BY THE U.S. WITH U.S.

FUNDS. ACCORDING TO SECTION 5(B) OF LEASE (QUOTED PARA 4 BELOW) USG IS ENTITLED TO COMPENSATION FOR QUOTE ACTUAL VALUE OF BUILDINGS UNQUOTE. FOR THIS REASON, THE BRITISH EMBASSY IS REQUESTED TO FIRMLY INSIST UPON HAVING BUILDING APPRAISED FOR CURRENT MARKET VALUE BY PRIVATE, IMPARTIAL APPRAISER AND NOT BY PDRY GOVERNMENT. DEPARTMENT ASSESSES PRESENT BOOK VALUE (I.E., MONEY PUT INTO BUILDING SINCE

1928) AT DOLS 219,139.00 (TWO HUNDRED NINETEEN THOUSAND, ONE HUNDRED THIRTY-NINE DOLLARS U.S.), NOT INCLUDING PRE-PAID 99-YEAR LUMP SUM LEASE PAYMENT MADE IN 1928. AT THE VERY MINIMUM, USG INSISTS UPON RECEIVING BOOK VALUE OF THIS BUILDING FROM PDRY GOVERNMENT.

4. IN 1928, THE U.S. MADE A LUMP-SUM PAYMENT OF DOLS 16,045.00 (SIXTEEN THOUSAND, FORTY-FIVE DOLLARS U.S.) FOR THE RIGHT TO LEASE FOR 99 YEARS THE LAND ON WHICH THE EMBASSY IS SITUATED. OUR CLAIM FOR RESTITUTION OF THE UNUSED LEASE PAYMENT IS BASED UPON THE FOLLOWING PROVISIONS FROM THE LEASE:

BEGIN QUOTE: (B) IF THE SAID PLOT OF LAND OR ANY PORTION THEREOF SHALL BE DECLARED BY THE LESSORS TO BE REQUIRED BY GOVERNMENT FOR PUBLIC PURPOSE (WHICH DECLARATION SHALL BE FINAL AND CONCLUSIVE) THE LESSORS MAY, WITHOUT NOTICE, RE-ENTER UPON THE SAID PLOT OF LAND OR
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SUCH PORTION AS MAY BE SO REQUIRED FREED FROM ALL CLAIMS AND LIABILITIES CREATED BY THE LESSEES OR ANY PERSON CLAIMING THROUGH HIM, AND THEREUPON THIS LEASE SHALL BE DETERMINED IN RESPECT OF THE SAID PLOT OF LAND OR SUCH PORTION THEREOF:

AND IN CASE OF RE-ENTRY UNDER THE LAST MENTIONED CONDITION, THE LESSEES SHALL BE ENTITLED TO COMPENSATION, AS FOLLOWS: A SUM EQUAL TO THE PURCHASE MONEY PAID BY THE LESSEES FOR THE RIGHT OF LEASE TOGETHER WITH ACTUAL VALUE OF BUILDINGS.UNQUOTE. THE U.S. HAS USED 48 YEARS WORTH OR APPROXIMATELY HALF OF THIS 99-YEAR PAYMENT. WE THEREFORE EXPECT TO RECEIVE RESTITUTION OF THE UNUSED PAYMENT OF ROUGHLY DOLS 8,000.00 (EIGHT THOUSAND DOLLARS U.S.). A COPY OF THE LEASE AND OTHER RELEVANT DOCUMENTS ARE BEING POUCHED TO THE BRITISH EMBASSY IN ADEN FOR YOUR INFORMATION.

5. DEPARTMENT OF STATE FULLY AGREES WITH YOUR INTENT, IN DEALING WITH END OF SERVICE BENEFITS (ESB) ISSUE, TO CONTEST ANY CLAIM BY WATCHMEN FOR 90-DAY SALARY PAYMENT IN LIEU OF SEVERANCE NOTICE, ON THE GROUNDS THAT THEIR

DISMISSALS WERE FORCED BY PDRY GOVERNMENT ACTION.

6. WE HAVE BEEN UNABLE TO LOCATE COMBINATION OF LOCK ON DOOR PROTECTING SECURE AREA OF EMBASSY BUILDING, AND UNDERSTAND TWO EMERGENCY COMBINATIONS FAILED TO WORK. BRITISH EMBASSY IS THEREFORE AUTHORIZED TO BREAK THE LOCK ON DOOR. WE AGREE THAT IT IS NECESSARY THAT ALL PAPERS AND OTHER ITEMS FOUND IN SECURE AREA BE STORED IN SECURE

BRITISH FACILITIES FOR THE TIME BEING.

7. REGARDING MFA OFFICIAL SHADHLI'S ASSERTION THAT U.S. ACCEPTS LEGALITY OF PDRY GOVERNMENT'S ACTION, YOU ARE REQUESTED TO CONVEY VERBALLY THE FOLLOWING STATEMENT TO THE CONFIDENTIAL

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PDRY GOVERNMENT. QUOTE: WHILE THE USG RECOGNIZES THE RIGHT OF THE PDRY GOVERNMENT TO REPOSSESS PROPERTY LEASED TO THE USG AND NOTES PDRY GOVERNMENT'S AGREEMENT TO PROVIDE WRITTEN ASSURANCE OF SUITABLE ALTERNATE SITE, USG BELIEVES THAT THE NOTICE GIVEN IS UNREASONABLY SHORT, NOTWITHSTANDING THE BRIEF EXTENSION SUBSEQUENTLY OFFERED, AND IS CONTRARY TO INTERNATIONAL NORMS AND COURTESIES, AND, THEREFORE, OBJECTIONABLE. UNQUOTE.

8. WE ARE GRATEFUL FOR YOUR CONTINUING COOPERATION IN THIS MATTER. VANCE

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